

PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
FINANCIAL STATEMENTS
DECEMBER 31, 2005

C O N T E N T S

	Page
ACCOUNTANT'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS	9
STATEMENT OF ACTIVITIES	10
BALANCE SHEET	11
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS	12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	14
NOTES TO FINANCIAL STATEMENTS	15
REQUIRED SUPPLEMENTAL INFORMATION:	
BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUND	23
NOTE A - BUDGETARY COMPARISON SCHEDULE BUDGET-TO-GAAP RECONCILIATION	24

Kimball & Roberts

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A Professional Corporation

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ACCOUNTANT'S REPORT

The Honorable Board Members
Piute County Special Service District #1
Junction, Utah 84740

We have reviewed the accompanying financial statements of the governmental activities of Piute County Special Service District #1, a component unit of Piute County, as of and for the year ended December 31, 2005, which comprise the Districts basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Piute County Special Service District #1.

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information on pages 4 through 7 and 23 through 24, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

June 6, 2006
Richfield, Utah

Piute County Special Service District #1 Management's Discussion and Analysis

This discussion and analysis of Piute County Special Service District #1's (District) financial performance provides an overview of the District's financial activities for the year ending December 31, 2005. This report is in conjunction with the District's financial statements, which are part of this report.

The purpose of the Piute County Special Service District #1 is to construct, repair and maintain roads and acquire and operate facilities for flood control, hospital, recreation and any other lawful public facilities. The boundaries of the District are all of Piute County except the area in the incorporated towns.

Financial Highlights:

- The assets of the District exceeded its liabilities as of the close of the most recent year by \$303,234 (net assets). Of this amount \$255,393(unrestricted net assets) which may be used to meet its ongoing obligations and to creditors.
- At the close of the current year, the Piute County Special Service District #1 reported \$6,248 of restricted net assets for landfill postclosure costs.
See the note in the financial statements regarding closure and postclosure costs.
- The District's total net assets increased by \$97,656. The revenues exceeded the adopted budget amounts and expenditures were less than the adopted budgeted amounts in its general fund.
- At the end of the current year, the District's governmental fund reported ending fund balance of \$261,641, an increase of \$79,463 in comparison with the prior year. Approximately 98 percent of this amount, \$255,393 is available for spending at the District's discretion (unreserved fund balance).
- At the end of the current year, unreserved fund balance for the general fund, as noted above, was \$255,393, or 107 percent of total general fund expenditures.

Using This Annual Report

This discussion and analysis are intended to serve as an introduction to Piute County Special Service District #1. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with a difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Government-wide financial statements-continued.

The statement of activities present information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Governmental Funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the year.

The district has one governmental fund, the general fund.

Reporting the District as a Whole

The District realizes revenues from several sources; 1) mineral lease revenues received from the State of Utah, 2) landfill fees 3) investment earnings and 4) other sundry revenues.

Contacting the District

This financial report is designed to provide the citizens with a general overview of the District's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chairman, Verl Bagley, P.O. Box 99, Junction, UT 84740.

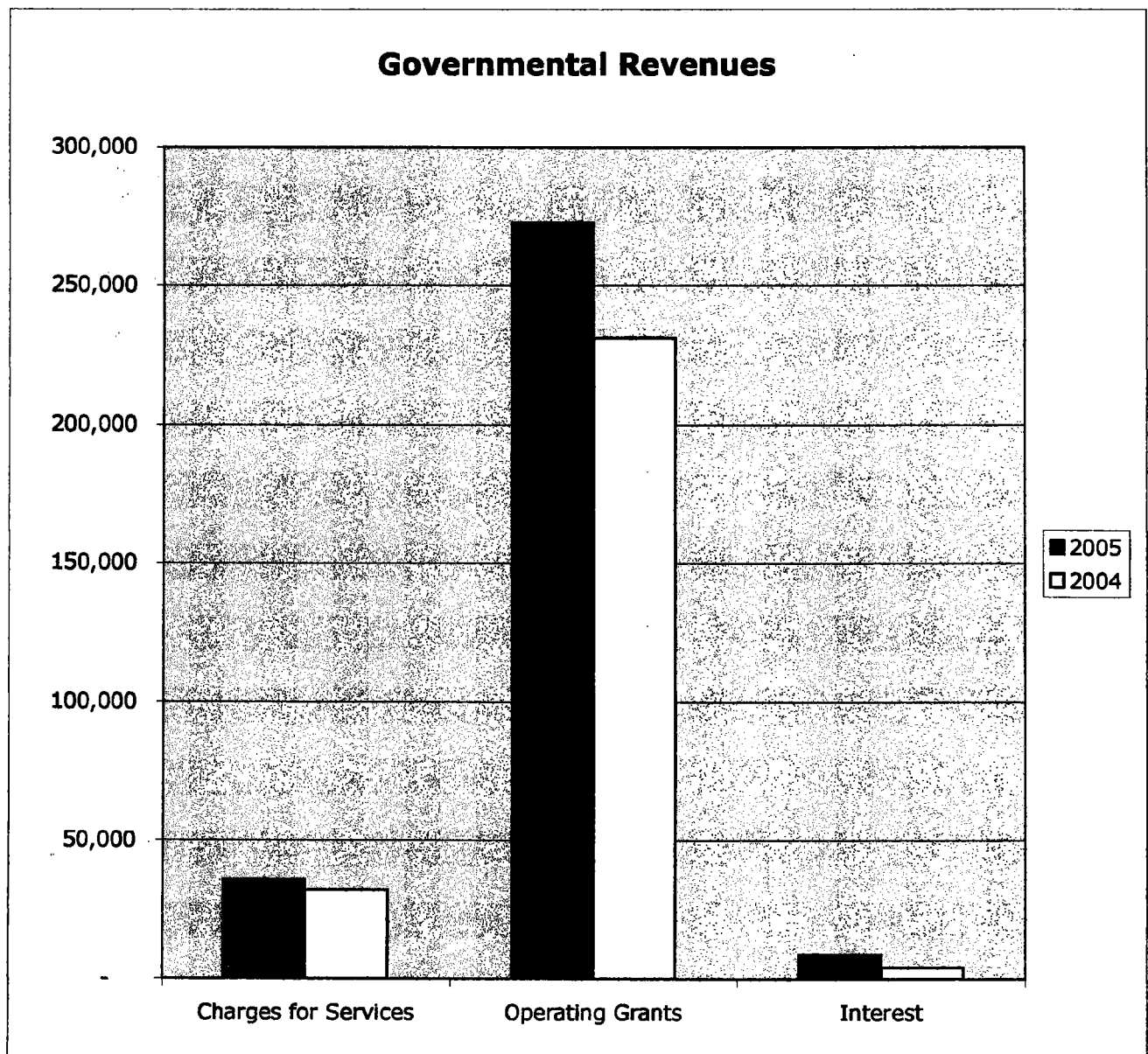
Condensed Financial Statements:

A comparative analysis is provided for 2005 and 2004.

	2005	2004		2005	2004
Assets:			Revenues:		
Current	256,143	220,093	Charges for Services	35,750	32,014
Non-Current	47,841	29,445	Operating Grants	272,744	231,158
Total Assets	303,984	249,538	General Revenues	8,809	4,185
			Total Revenues	317,303	267,357
Liabilities:			Expenditures:		
Current		43,960	Current	219,647	299,432
Long-Term	750	-	Capital	-	-
Total Liabilities	750	43,960	Total Expenditures	219,647	299,432
Net Assets:					
Capital Assets					
Net of Debt	41,593	23,400			
Restricted	6,248	6,045	Change in Net Assets	97,656	(32,075)
Unrestricted	255,393	176,133	Beginning Net Assets	205,578	237,653
Net Assets	303,234	205,578	Ending Net Assets	303,234	205,578

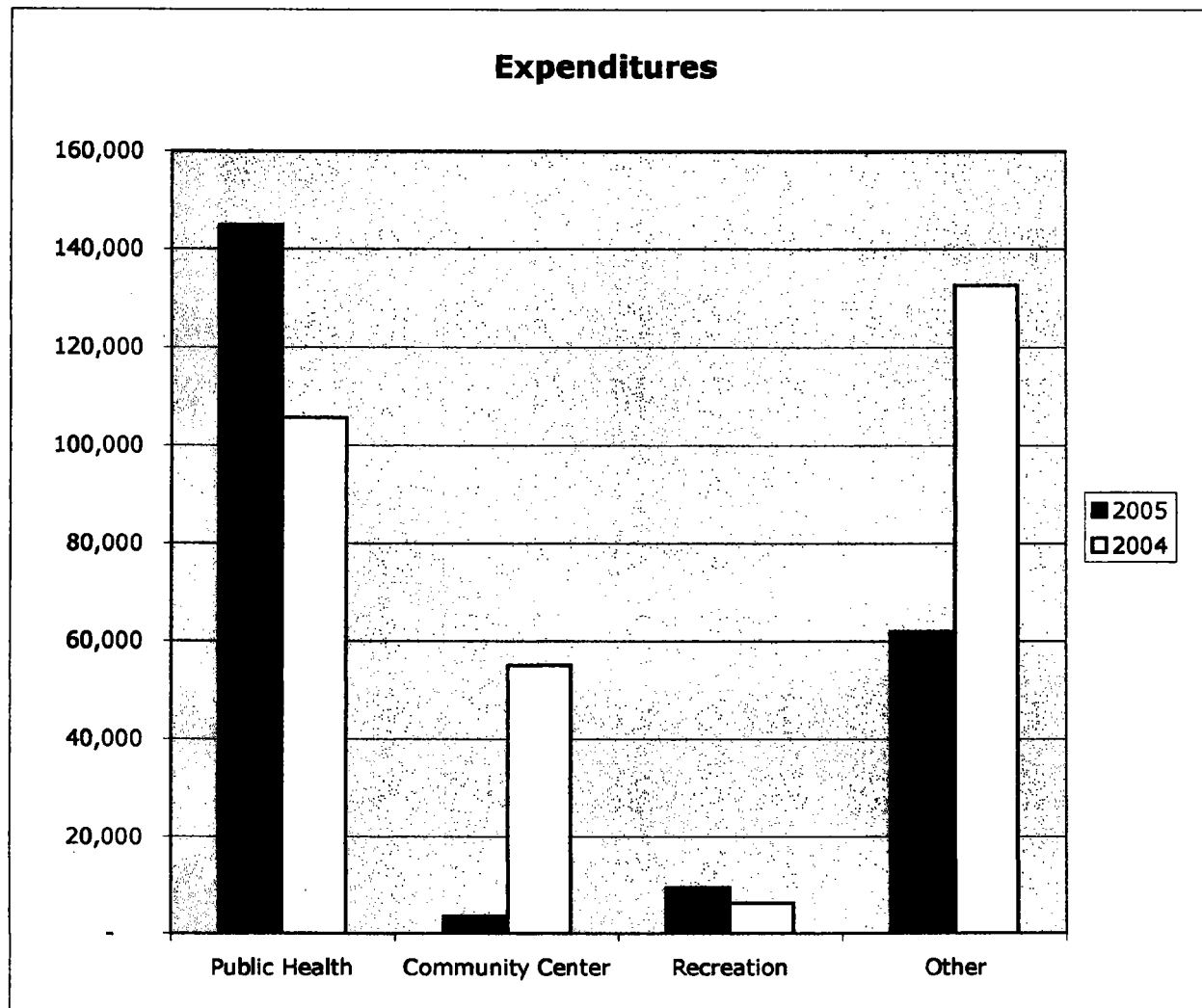
**Piute County Special Service District #1
Governmental Revenues
For The Years Ending December 31, 2005 and 2004**

	2005	2004
Charges for Services	35,750	32,014
Operating Grants	272,744	231,158
Interest	8,809	4,185
Total Revenues	317,303	267,357



**Piute County Special Service District #1
Government Wide Expenditures
For The Years Ending December 31, 2005 and 2004**

	2005	2004
Public Health	144,817	105,600
Community Center	3,571	55,000
Recreation	9,390	6,209
Other	61,869	132,623
Total Expenditures	219,647	299,432



(This page contains no information and
is used to assist in formatting, for easier reading)

BASIC FINANCIAL STATEMENTS

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
STATEMENT OF NET ASSETS**

December 31, 2005

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Investments	<u>256,143</u>
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	6,248
Capital Assets (Net of Accumulated Depreciation):	
Land	2,000
Equipment	8,050
Vehicles	<u>31,543</u>
Total Noncurrent Assets	<u>47,841</u>
TOTAL ASSETS	<u>303,984</u>
LIABILITIES	
Accrued Landfill Closure Costs	<u>750</u>
TOTAL LIABILITIES	<u>750</u>
NET ASSETS	
Investment in Capital Assets, Net of Debt	41,593
Restricted For:	
Landfill	6,248
Unrestricted	<u>255,393</u>
TOTAL NET ASSETS	<u>303,234</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>303,984</u></u>

See accompanying notes and accountant's report.

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2005

		<u>Program Revenues</u>		<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants</u>	<u>Changes in</u>
				<u>Net Assets</u>
Functions/Programs:				<u>Governmental</u>
Governmental Activities:				<u>Activities</u>
General Government	<u>219,647</u>	<u>35,750</u>	<u>272,744</u>	<u>88,847</u>
TOTAL REVENUES	<u>219,647</u>	<u>35,750</u>	<u>272,744</u>	<u>88,847</u>
General Revenues:				
Unrestricted Investment Earnings				<u>8,809</u>
Total General Revenues				<u>8,809</u>
Changes in Net Assets				97,656
Net Assets - Beginning				<u>205,578</u>
Net Assets - Ending				<u><u>303,234</u></u>

See accompanying notes and accountant's report.

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
BALANCE SHEET
GOVERNMENTAL FUND TYPE**

December 31, 2005

	<u>General Fund</u>
ASSETS	
Investment - Public Treasurer's Investment Fund	<u>262,391</u>
TOTAL ASSETS	<u><u>262,391</u></u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accrued Landfill Costs	<u>750</u>
Total Liabilities	<u>750</u>
Fund Equity:	
Reserved Fund Balance:	
Reserved for Landfill	6,248
Unreserved Fund Balance	<u>255,393</u>
Total Fund Equity	<u>261,641</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>262,391</u></u>

See accompanying notes and accountant's report.

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

December 31, 2005

Total Fund Balances - Governmental Fund Types	261,641
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	2,000	
Equipment	8,050	
Vehicles	<u>31,543</u>	

Total		<u>41,593</u>
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Net Assets of Government Activities	<u><u>303,234</u></u>
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PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE

For The Year Ended December 31, 2005

	<u>General Fund</u>
REVENUE	
State Sources	272,744
Charges for Services	35,750
Investment Earnings	<u>8,809</u>
TOTAL REVENUES	<u>317,303</u>
EXPENDITURES	
Public Health	141,217
Community Center	3,571
Recreation	9,390
Other	<u>83,662</u>
TOTAL EXPENDITURES	<u>237,840</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	79,463
FUND BALANCE - BEGINNING OF YEAR	<u>182,178</u>
FUND BALANCE - END OF YEAR	<u><u>261,641</u></u>

See accompanying notes and accountant's report.

PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2005

Amounts reported for governmental activities in the statement of activities
are different because:

Net Changes in Fund Balances - Total Governmental Funds	79,463
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Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense. This is the
amount by which capital outlays exceeded depreciation in the current period:

Equipment	21,793	
Vehicles	<u>(3,600)</u>	
 Total		 <u>18,193</u>

Changes In Net Assets of Governmental Activities	<u>97,656</u>
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**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS**

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Piute County Special Service District #1, a component unit of Piute County, was created by the adoption of a resolution to establish a special service district by the Piute County Commissioners on February 13, 1989. The District was authorized to construct, repair and maintain roads and acquire and operate facilities for flood control, hospital, recreation, and any other lawful public facilities. The general boundaries of the District are all of Piute County except the area in the incorporated towns. The Special Service District's Administrative Control Board consists of three (3) members, each of whom was appointed by the Board of Commissioners. The Board of Commissioners shall appoint the initial one member to serve a two year term and the remaining two members to serve four year terms. The Board members, at their initial meeting, elected a chairperson and a secretary to serve such terms as the board shall determine.

B. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District, the primary government, as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

State revenue sources and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if material. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government. The District's only fund is the General Fund

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments:

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables:

All trade receivables are deemed 100% collectible and , therefore, no allowance for uncollectibles is shown when receivables are recorded.

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - BUDGET PROCESS

Piute County Special Service District #1 has properly adopted required budgets for 2004. Changes to the adopted budget were properly made by resolution and public hearing of the County Commissioners.

The District follows the budgetary practices and procedures required by State law. These requirements are summarized as follows:

1. A formal budget is adopted by the District.
2. The budget is a complete financial plan that identifies all estimated revenues and all appropriations for expenditures for the year. The budget must balance - that is estimated revenues and expenditures must equal.
3. On or before November 1, the District Manager prepares a tentative budget and files it with the Board of Trustees.
4. The tentative budget is a public record and is available for public inspection for at least ten days prior to public hearings held to consider adoption of the budget.
5. Notice of the scheduled public hearing is published at least ten days prior to the meetings.
6. Public hearing are held on the tentatively adopted budget. Members of the public may comment on the budget and recommend changes to the Board of Trustees.

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits:

At year-end, the carrying amount of the Special Service Districts deposits was \$5,934 and the bank balance was \$7,396. All of this amount was covered by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

Cash and investments as of December 31, 2005, consist of the following:

	<u>Fair Value</u>
Demand Deposits	5,934
Investments - PTIF	<u>256,457</u>
Total Cash and Investments	<u><u>262,391</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	256,143
Governmental Activities - Restricted	<u>6,248</u>
Total Cash and Cash Equivalents	<u><u>262,391</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that the District funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council (the Council). Following are discussions of the local government's exposure to various risks related to its cash management activities.

Custodial Credit Risk:

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2005, \$0 of the local government's bank balances of \$7,396 were uninsured and uncollateralized.

Credit Risk:

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the UMMA.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2005, the local governments has investments of \$256,457 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The local government's policy to limit this risk is to adhere to the rules of the Money Management council. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

NOTE 4 - CAPITAL ASSETS

Capital Assets activity for the year ended December 31, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Capital Assets Being Depreciated:				
Equipment	46,000	-	-	46,000
Vehicles	<u>13,000</u>	<u>21,793</u>	<u>-</u>	<u>34,793</u>
Total Capital Assets Being Depreciated	<u>59,000</u>	<u>21,793</u>	<u>-</u>	<u>80,793</u>
Less Accumulated Depreciation For:				
Equipment	35,650	2,300	-	37,950
Vehicles	<u>1,950</u>	<u>1,300</u>	<u>-</u>	<u>3,250</u>
Total Accumulated Depreciation	<u>37,600</u>	<u>3,600</u>	<u>-</u>	<u>41,200</u>
Total Capital Assets Being Depreciated (Net)	<u>21,400</u>	<u>(3,600)</u>	<u>-</u>	<u>39,593</u>
Governmental Activities Capital Assets (Net)	<u>23,400</u>	<u>(3,600)</u>	<u>-</u>	<u>41,593</u>

Depreciation is allocated to the following activities:

General Government	<u>3,600</u>
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**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 5 - LANDFILL

Closure and Postclosure Care Cost - Municipal Solid Waste Landfill - Class IV:

State and Federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste. The final closure of these Class IV Landfills shall consist of leveling waste to the extent practicable, covering with a minimum of two feet of earthen material, and seeding with grass according to the closure plan contained in the permit applications. Piute County shall also meet the requirements of UAC R315-302-2(6) by recording with the Piute County Recorder, as part of the record of title, that the property has been used as a landfill. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as expenditure in the General Fund each period based on landfill capacity used as of each balance sheet date. The \$750 reported as landfill closure and postclosure care liability for the Class IV Landfills at December 31, 2005, represents cumulative amount reported to date based on the use of less than 10% of the estimated capacity of the land fill. The County will recognize the remaining estimated cost of closure and postclosure care of \$4,250 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2005. The County expects to close the landfill in the year 2097 or later. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2005, investments of \$6,248 are held for these purposes. These are reported as reserved fund balance on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

**REQUIRED SUPPLEMENTARY
INFORMATION
"UNAUDITED"**

**PIUTE COUNTY SPECIAL SERVICE DISTRICT #1
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUND**

For The Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Budgetary Fund Balance, January 1	<u>182,178</u>	<u>182,178</u>	<u>182,178</u>	<u>-</u>
Resources (Inflows):				
Intergovernmentals:				
State Mineral Lease	95,000	95,000	271,744	176,744
State Grants	-	-	1,000	1,000
Landfill Fees	-	-	33,750	33,750
Other Revenue	-	-	2,000	2,000
Interest Revenue	-	-	8,809	8,809
Fund Balance	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>(175,000)</u>
Total Intergovernmental	<u>270,000</u>	<u>270,000</u>	<u>317,303</u>	<u>47,303</u>
Amounts Available for Appropriation	<u>452,178</u>	<u>452,178</u>	<u>499,481</u>	<u>47,303</u>
Charges to Appropriations (Outflows):				
Current:				
Public Health	50,000	50,000	50,450	(450)
Recreation	18,500	18,500	9,390	9,110
Community Center	50,000	50,000	3,571	46,429
Engineering	35,000	35,000	-	35,000
Capital Projects	50,000	50,000	10,767	39,233
Contributions	-	-	80,000	(80,000)
Other	<u>66,500</u>	<u>66,500</u>	<u>83,662</u>	<u>(17,162)</u>
Total Charges to Appropriations	<u>270,000</u>	<u>270,000</u>	<u>237,840</u>	<u>32,160</u>
Budgetary Fund Balance, December 31	<u><u>182,178</u></u>	<u><u>182,178</u></u>	<u><u>261,641</u></u>	<u><u>79,463</u></u>

PUITE COUNTY SPECIAL SERVICE DISTRICT #1
NOTE A
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION

For The Year Ended December 31, 2005

	<u>General Fund</u>
Sources/Inflows and Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	499,481
Differences - Budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(182,178)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>317,303</u></u>
Uses/Outflows of Resources:	
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	<u>237,840</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>237,840</u></u>